



## FACT SHEET: PAYT/SMART BASICS FOR MUNICIPALITIES

*This fact sheet presents some of the benefits and challenges associated with implementing a Pay-As-You-Throw (PAYT) / Save-Money-And-Reduce-Trash (SMART) program, which MassDEP considers a primary vehicle for attaining the state's waste diversion goals.*

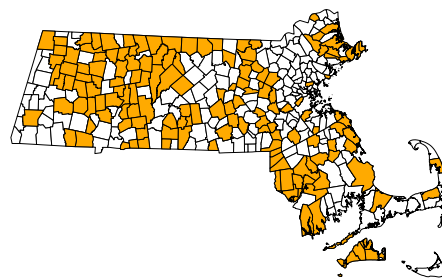
### About PAYT/SMART

In a Pay-As-You-Throw (PAYT) solid waste program, residents pay a per-unit fee for disposal of household trash. Most programs utilize pre-printed trash bags in which the price of the bag reflects the cost to dispose of the waste. Residents are not charged a direct fee for recycling. As residents pay directly for trash they dispose, they have a financial incentive to reduce their waste through recycling, composting, and waste reduction.

Some municipalities use the name "Save Money and Reduce Trash (SMART)," for their program. Whether described as PAYT, SMART, or unit-based pricing, the program enables municipalities to simultaneously reduce waste tonnage disposed and more equitably distribute the cost of disposal among residents.

### DID YOU KNOW?

155 municipalities in Massachusetts have PAYT/SMART programs.



### Advantages

PAYT provides residents an opportunity to save money on their trash bills and promotes:

- **Fairness.** Residents pay for only the amount of trash that they generate. Households generating less trash pay less than households that generate more.
- **Decrease in Trash Tons Disposed & Associated Cost Savings.** PAYT has been shown to decrease a community's residential trash tonnage disposed by 25 to 50 percent, significantly reducing solid waste disposal costs.
- **Increased Recycling, Composting, & Waste Reduction.** PAYT programs encourage recycling, composting, and waste reduction through increased diversion to reuse, repair, and donation.
- **Improved Environmental Quality.** By diverting waste from disposal, PAYT programs extend the life of landfills, decrease air pollution from trash incinerators, and reduce the need for new disposal facilities. As communities increase reuse, recycling, and composting, natural resources such as land, air, and water, are protected and preserved and greenhouse gas emissions are reduced.

### Types of Programs

There are several types of PAYT programs currently in use in Massachusetts. The systems are not mutually exclusive and can be combined to meet a community's needs.

- **Imprinted Trash Bags.** Residents purchase colored plastic bags imprinted with the name or seal of the municipality. The price of each bag should cover both the cost of the bag itself and the cost for disposal. Waste haulers are instructed to pick up only the specially marked trash bags.
- **Stickers or Tags.** Residents purchase specially marked labels or tags and affix them to their own trash bags or barrels. Different sticker colors may indicate different volumes of waste being disposed.

- **Hybrid Program.** In this type of PAYT program, one container (not to exceed 35 gallons) is collected at the curb as part of a municipality's basic level service. Trash in excess of 35 gallons must be placed in PAYT overflow bags, tags, or stickers that residents purchase.
- **35-gallon Trash Cart or Barrel.** More municipalities in Massachusetts are implementing programs with uniform 35-gallon wheeled trash carts, as they are aesthetically pleasing and supported by most waste haulers. This qualifies as a PAYT program for MassDEP grant purposes.

### \$\$\$ DID YOU KNOW? \$\$\$

Municipalities can receive technical assistance and grant funding to implement PAYT programs. Learn more at: [www.mass.gov/how-to/apply-for-a-sustainable-materials-recovery-program-smrp-municipal-grant](http://www.mass.gov/how-to/apply-for-a-sustainable-materials-recovery-program-smrp-municipal-grant)

## Covering Municipal Costs

PAYT programs generally involve a two-tiered funding system that combines a flat fee or tax subsidy and a unit-based fee. The flat fee/tax subsidy provides revenue stability to a municipal program and ensures that the fixed costs of trash collection are covered. The unit-based fee covers the variable cost for disposal and provides financial incentive for residents to recycle and compost more. With any new program, concerns arise that need to be considered before implementation, including:

- **Public Perception that the Fee is a Tax.** Residents in some communities may perceive the unit-based pricing program as a new tax. To avoid this perception, many communities make their programs revenue-neutral by reducing the flat fee by the amount that unit-based fees are expected to generate. Many residents wind up paying less for trash disposal after a PAYT program is implemented since they can control their costs by throwing less away.
- **Adverse Effects on Low-Income Households.** Because PAYT fees for trash service represent a higher percentage of a low-income family's income, steps may be taken to minimize the impact on these households. Just as electric, gas, and water utilities provide special rates for low-income users, a PAYT program may also include lowered rates for residents who demonstrate hardship.
- **Increases in Illegal Dumping.** Solid waste managers have expressed a fear that residents may resort to illegal dumping in commercial or public waste bins in a unit-based system. Studies of PAYT programs in Massachusetts and around the nation indicate that increased illegal dumping is not a problem in most communities.
- **Higher Administrative Costs.** With any new program, additional staff time may be needed for planning and implementation. However, these costs are generally recovered through savings associated with reduced waste disposal.

## Building Public Support

Public acceptance and support are the most important components of a successful unit-based pricing program. Key players from the municipal government, elected officials, and environmental /community organizations must be involved from the beginning of the planning process. Taking the time and committing resources, holding public forums and meetings, and responding to questions and concerns of residents, municipal officials, and employees will minimize confusion about the program.

### FOR MORE INFORMATION:

**MassDEP website:** [www.mass.gov/lists/pay-as-you-throw-paytsave-money-and-reduce-trash-smart](http://www.mass.gov/lists/pay-as-you-throw-paytsave-money-and-reduce-trash-smart)  
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